

1. Brief Summary of Bloc Sales of Agricultural Equipment in Greece

Since 1954 there has been a marked expansion of Bloc sales of agricultural equipment in Greece. Greek imports of Bloc farm equipment increased from \$67,000 in 1954 (1.4 percent of total agricultural machinery imports) to \$1.6 million in 1956 (about 21 percent of all Greek imports of farm machinery.)

In this current sales drive the Bloc is employing a variety of trade promotional techniques, including increased advertising in the local press and emphasis on exhibits of agricultural machinery at the annual Salonika Trade Fair. The Bloc countries are capitalizing upon their proximity to the market and ample production facilities for agricultural equipment which permit them to offer prompt delivery and lower prices than do Western producers. In addition, they provide liberal credit arrangements for prospective Greek buyers which local importers of western equipment cannot match. As a result of these factors Bloc agricultural equipment, particularly the Czechoslovak tractor, is presenting relatively strong competition for similar western products, and Bloc sales have increased sharply.

Czechoslovakia has spearheaded the Bloc sales drive and has become the major Bloc supplier of agricultural equipment to Greece. East Germany, Rumania, and the USSR have also increased sales to Greece and are following the familiar Bloc pattern of generous credit arrangements and low prices. The equipment of these other Bloc countries, however, is of inferior quality to Czechoslovak machinery, and the level of their sales is still relatively low. Czechoslovak Zetor tractors*, although not on a par with similar Western models, have proved to be popular with Greek farmers. The price for a fairly standard Zetor 42 h.p. tractor is about \$2,600. A similar American tractor costs about \$5,000. Various reports indicate a price range of \$1,600 to \$2,900 for Czech tractors, depending on the model and number of attachments included. The lower end of the range, however, appears to represent prices deliberately cut to effect sales. It appears that the Czech representatives are permitted to cut prices 20-40 percent from list if necessary to sell the equipment.

It is indicative of the seriousness of the Bloc sales drive that at least three Bloc suppliers—Czechoslovakia, Rumania, and the USSR—have provided a mechanic force for the maintenance of equipment sold in Greece. In Salonika, Zetor has opened a large showroom and workshop staffed with Czech technicians.

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Mobile servicing units for Czech equipment have been reported, but thus far none are known to be in operation.

In spite of obvious success, however, the Bloc sales campaign has not been without its difficulties. As noted earlier, the Greeks are quite aware of the poor quality of much of the Bloc

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Sales of Bloc agricultural equipment can be expected to continue and may increase over former levels. The Greeks have welcomed an expansion of trade with the Bloc as an outlet for agricultural commodities which do not have a ready market in the Free World. Under present trade agreements the Bloc is committed to purchase larger quantities of these items than before and will, therefore, be seeking exports to pay for them. In view of the sales success achieved thus far, agricultural machinery will probably be pushed as a means of accomplishing this objective. The commercial attractiveness of this arrangement as well as the opportunity it provides for extending Bloc economic influence suggest that further expansion of such activities may be anticipated over the near-term.

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2. Statistical Tables

Table A

Greek Imports of Bloc Agricultural Machinery
(000 \$US)

| | <u>1954</u> | <u>1955</u> | <u>1956</u> |
|-----------------------|-------------|-------------|-------------|
| East Germany | 63 | 193 | 261 |
| Czechoslovakia | 2 | 197 | 1,018 |
| Romania | — | 4 | 127 |
| USSR | — | 6 | 108 |
| Hungary | — | 41 | 47 |
| Poland | 2 | 55 | 1 |
| Bulgaria | — | — | — |
| Total Bloc | 67 | 496 | 1,562 |
| Total World | 4,705 | 6,242 | 7,480 |
| Bloc Percent of Total | 1.4 | 7.9 | 20.9 |

Table B

Major Supplier of Agricultural
Machinery to Greece in 1956
(000 \$US)

| | |
|--------------------------|-------|
| West Germany | 2,760 |
| United States | 1,243 |
| United Kingdom | 1,142 |
| Czechoslovakia | 1,018 |
| Total | 6,163 |
| Total from all countries | 7,480 |

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